

February 17, 2014

TO: Miranda Paster, Office of the City Clerk

FROM: Kerry Morrison, Executive Director, HPOA

SUBJECT: Fourth Quarter Report: October 1, 2014 through December 31, 2014

As is required in our Agreement with the City of Los Angeles, I am submitting our Fourth Quarter Report to summarize key activities of the Hollywood Entertainment District.

I. Operational Issues

- At the November 21, 2013 meeting of the HPOA board, directors were elected to served three year terms:
 - David Benavente, Shine America (new)
 - Mark Echeverria, Musso & Frank's (new)
 - Galo Medina, Comprehensive Financial Services (returning)
 - John Lyons, Avalon (returning)
 - Michael Gargano, Millennium Argent (returning)
- At the same meeting, the board also elected officers for one year terms:
 - John Tronson, President
 - John Lyons, Vice President
 - Jan Martin, Secretary
 - Drew Planting, Treasurer
- A budget working group began working in October to present a budget to the board to consider at their November annual meeting. At the November meeting, the board approved a budget that was predicated upon assessment revenue of \$3,495,098. It assumed a three percent delinquency factor and a \$200,000 rollover from the previous year.
- At the November meeting, the board also approved changes to the 401k plan that allows for a four percent maximum employer contribution subject to employee participation at the same level.
- The 2014 Planning Report for the Hollywood Entertainment District was approved at the November 21, 2014 board meeting.
- The HPOA experienced a drastic increase in the cost of D&O insurance for the coming year – a 350% increase for a \$2M policy, which forced the board to not secure an additional \$3M excess policy, which has been their decision for the past ten years. In the new year, an Insurance

Working Group will be established to work with our insurance consultant, Steve Romine, to look at options.

- The board authorized three minor amendments to the bylaws for the HPOA in December to make it more clear what happens when an officer position is vacated, and two other ministerial changes.
- At the December meeting, in executive session, the board authorized a staff restructuring plan which included the elimination of one position, the office manager. A severance agreement was approved in exchange for a general release from the employee. That position officially ended on December 31, 2013.

II. Security

- During this quarter, the ordinance intending to eliminate aggressive sales and solicitation by sightseeing tour salesmen was passed, and Councilmember Mitch O'Farrell held a "walking tour" of Hollywood Boulevard in October to pass out information to the tour operators about the new law. The media participated, as did BID representatives.
- The board passed a motion at their October 17 meeting to support a motion initiated by Councilmembers LaBonge and O'Farrell. The motion encouraged the city to find alternatives to public feeding programs on the public right-of-way.
- The nighttime security project occurred during this quarter. Two nights a week, eight officers were deployed until 3 a.m. to "observe and report" incidents to the LAPD. At the end, it was determined that the presence of the officers did have a deterrent effect, but there was no budget to sustain this presence into the new year.
- On November 4, staff arranged a tour of the new video surveillance installation at Cal State Dominguez Hills. The purpose was to see the new technology available, that would be used in the LAPD upgrade. Captain Zarcone and Deputy Chief Hara participated along with members of security committee, Metro Video and Andrews International.
- At the November 21, 2013 meeting, the board authorized the expenditure of the remaining 2013 contingency budget (approximately \$53,000) to place a deposit on the upgrade of the LAPD video surveillance system, with the remainder of the costs (total \$100,000) to be paid from the 2014 Security Contingency budget.
- In December, the board authorized two expenditures from its Security-Contingency account to support two nonprofits who provide homeless outreach and case management services within the BID. A \$25,000 contribution was provided to People Assisting the Homeless and \$10,000 to The Center at Blessed Sacrament.

- The following are the third quarter security stats for the Hollywood Entertainment District:

Arrests	Radio Calls	Business Contacts	Citizen Contacts	Homeless Referrals
195 for quarter	777 for quarter	3,391 for quarter	4,026 for quarter	112 for quarter
781 YTD	3,310 YTD	9,242 YTD	16,041 YTD	539 YTD

III. Streetscape

- Negotiations continued with the city of Los Angeles, who controls retail space in the Cherokee parking garage. The board authorized a monthly lease offer of \$1,000 a month in August to start the process, and upped that offer to \$1250 in September. The space at 1718 Cherokee would be used by the BID maintenance team.
- During this quarter, the Streetscape Committee initiated a RFP process to seek competitive bids for the maintenance contract, now held by Clean Street. Four proposals were received in November and the selection committee interviewed the finalists on December 4. At the December board meeting, committee chair Mark Echeverria reported that the committee's recommendation was to extend the contract with CleanStreet for 90 days in order to continue their due diligence.
- A short-term landscape design agreement was forged with Diane Scanlan to work on a proposal for the LaBrea median which needs to be replanted with drought-tolerant plants as the DWP will be shutting off the water given that the CRA is no longer paying that bill. A second agreement was created with a company called Landsco to water trees and tend to the greenscape, to relieve Cleanstreet of these duties.
- Staff worked with owners along the EaCa alley to forge a collaborative trash solution, given that a parking lot where three dumpsters were stored off of Cosmo was no longer able to host those dumpsters.

IV. Marketing and Communications

- A meeting of the marketing "Big Ideas" group was held on October 23 at AMDA. At this meeting, the group discussed the concept of "micro neighborhoods" in the BID.
- The second blogger tour was held on November 16 and featured interesting retail and food selections on the west side of the BID: MUJI, Mels Diner, Ghirardelli Soda Fountain, Fredericks of Hollywood, Artstring and As the Record Turns.
- The 2014 Visitors Guide was read to go to print in November. Approximately \$83,000 was raised for the map, which allows the expenditure of \$6,000 for an app for the coming year.

V. Other

- The board supported the formation of a statewide coalition called the CA BID Alliance which is coalescing around the need to seek legislative clarification to the definition of general v. specific benefits within an assessment district. The board authorized a contribution of \$5,100 toward this coalition effort, which represents .015 of the overall assessment budget.
- In November, the board authorized a letter to HUD to support the city's application for consideration as a Federal Promise Zone, which would include a portion of Hollywood.
- Staff participated in meetings organized by the United Way Home for Good campaign relative to initiating a 100-day campaign to create a "Coordinated Entry System" in Hollywood to facilitate moving homeless individuals from the streets to housing.